

Case Study: Private Manufacturing Firm with Seasonal Demand

Revised Strategy with new Financial Controls, Internal Processes, Pricing Approach, and Sales Targets. Margins up over 20% in first 6 months

Goal: Strategy reset to build revenue and margins

Situation

- Company had grown rapidly. Seasonal demand meant increased cash needs, but margins had not kept pace
- Lenders and investors looking for answers, poor financial communication with lenders
- FortéOne was asked to assist in defining (and implementing) the Plan Forward

FortéONE Process

FortéOne worked with the owners and his managers to assess strategy and identify improvements. Using the FortéOne Six Factor Methodology, high impact issues were identified and a go-forward path was developed. These included:

- New financial reporting and controls were installed, that enabled owners to accurately measure and manage margins across all SKUs
- New sales focus placed on high margin SKUs
- Competitive positioning defined and new pricing strategies implemented across all SKUs—which increased profits by 20%
- Several operational positions were upgraded, to increase efficiency, reduce cash needs and enhance availability

Establishing a Foundation for Performance

- Owners quickly “partnered” with the FortéOne Team as they refined their strategy, pricing processes, and operational efficiencies.

Results

- In the first six months, working capital was reduced, and profit margins increased 20% in their highest volume product
- Financial controls and KPIs are now in place to make informed decisions
- Company on track to increase profits by more than 50% in year two

